

# **CBSE – DEPARTMENT OF SKILL EDUCATION**

## **BANKING & INSURANCE (SUBJECT CODE - 411)**

### **MARKING SCHEME SAMPLE QUESTION PAPER**

#### **Class X (Session 2019–2020)**

**Time: 2 Hours**

**Max. Marks: 50**

#### **General Instructions:**

1. *This Question Paper consists of two parts viz. Part A: Employability Skills and Part B: Subject Skills.*
2. **Part A: Employability Skills (10 Marks)**
  - i. *Answer any 4 questions out of the given 6 questions of 1 mark each.*
  - ii. *Answer any 3 questions out of the given 5 questions of 2 marks each.*
3. **Part B: Subject Skills (40 Marks):**
  - i. *Answer any 10 questions out of the given 12 questions of 1 mark each.*
  - ii. *Answer any 4 questions from the given 6 questions of 2 marks each.*
  - iii. *Answer any 4 questions from the given 6 questions of 3 marks each.*
  - iv. *Answer any 2 questions from the given 4 questions of 5 marks each.*
4. ***This question paper contains 39 questions out of which 27 questions are to be answered.***
5. ***All questions of a particular part/section must be attempted in the correct order.***
6. ***The maximum time allowed is 2 hrs.***

#### **PART A: EMPLOYABILITY SKILLS (10 MARKS)**

#### **Answer any 4 questions out of the given 6 questions of 1 mark each:**

1.	State any one barrier to effective communication in a bank/Insurance company. Language barrier or any other valid answer.	(1)
2.	Banks or financial institutions wants to give print command by using key- board for the sake of their customers. Mention the keyboard shortcut. Ctrl P	(1)
3.	What is the primary goal of green economy? Reduction of environmental risks is the primary goal of Green economy. The main	(1)

	focus is to ensure economic growth without harming the environment.	
4.	Customer must be self _____ before buying any insurance products.  Aware	(1)
5.	Financial growth is a kind of _____ for a banker which boosts his morale to work hard.  Motivation	(1)
6.	Mention one quality of an entrepreneur.  Self confidence	(1)

**Answer any 3 questions out of the given 5 questions of 2 marks each:**

7.	Name the types of communication take place in Banks and financial institutions.  Oral Communication  Written Communication  Formal communication or informal communication	(2)
8.	Banker wish to use keyboard shortcut for the copy text and paste in another document. What keyboard shortcuts he/she will use?  Ctrl C and Ctrl V	(2)
9.	How banks and financial institutions may support green economy?  Banks and financial institutions should provide loan to the farmers at cheaper rates also they should promote those industries which are producing renewable sources of energy and maintaining the ecological balance of environment.	(2)
10.	An employee who works in banks/financial institution /Insurance company may feel stress due to regular job routine. What should be the effective ways to remove stress? (any two ways)  i) Stress management techniques physical exercise, yoga, meditation etc. ii) Enjoying vacations and holidays with family and friends iii) Taking nature walks	(2)

<b>11.</b>	<p>Mention any two qualities the insurance agent must possess to convince their customers to buy the product.</p> <p>Physical qualities like smart, pleasing personality etc.</p> <p>Convincing power, knowledge about organization, knowledge about product etc.</p>	<b>(2)</b>
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**PART B: SUBJECT SKILLS (40 MARKS)**

**Answer any 10 questions out of the given 12 questions:**

<b>12.</b>	<p>Maker of a Bill of exchange or cheque is known as _____.</p> <p>Drawer</p>	<b>(1)</b>
<b>13.</b>	<p>A short term loan is a loan which repayable</p> <p>a) within 3 years b) within 4 years c) within 5 years d) within one year</p> <p>Within one year</p>	<b>(1)</b>
<b>14.</b>	<p>In case of personal loan, generally _____ security is taken by the Bank.</p> <p>No</p>	<b>(1)</b>
<b>15.</b>	<p>Which is the fastest mode of payment?</p> <p>a) Cheque b) Draft c) NEFT d) RGTS</p> <p>RTGS</p>	<b>(1)</b>
<b>16.</b>	<p>What does NEFT stands for?</p> <p>a) National Economic Fund Transfer b) National Electron Fund Tenor c) Notional electric fund transfer d) National Electronic Fund Transfer</p> <p>National Electronic Fund Transfer</p>	<b>(1)</b>
<b>17.</b>	<p>Life Insurance provides dual benefits to the person taking the insurance. These dual benefits are _____ &amp; _____.</p>	<b>(1)</b>

	Saving and Security	
<b>18.</b>	The issue of having regular income during old age is taken care off by _____ Policies. a) Endowment b) Annuity c) Unit linked d) Money back  Annuity	(1)
<b>19.</b>	Nomination means nominating a person to receive the benefits of Life Insurance Policy. The person nominated is called _____.  Nominee	(1)
<b>20.</b>	The most appropriate method to determine the financial loss due to loss of human life would be to access the same on the basis of loss of income in the future years. This is also known as _____.  human life value	(1)
<b>21.</b>	Define Underwriter.  The person who reviews an application for insurance and decides if the applicant is acceptable and at what premium rate.	(1)
<b>22.</b>	contracts of Insurance that do not come within the ambit of Life Insurance are called _____.  General Insurance or Non-Life Insurance	(1)
<b>23.</b>	The theft insurance policy would generally not cover the losses/ damages due to acts involving _____ & employees of the insured.  Family members	(1)

**Answer any 4 questions out of the given 6 questions of 2 marks each:**

<b>24.</b>	What is meant by the term crossing on a cheque?  Crossing on a cheque means drawing two parallel lines on the face of the cheque with or without additional words like "Account Payee" or "Not Negotiable". A crossed cheque cannot be encashed at the cash counter of the	(2)
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	drawee bank but it can only be credited to the payee's account.	
<b>25.</b>	<p>State two features of a Bill of exchange.</p> <p>Features of Bill of Exchange:</p> <ul style="list-style-type: none"> <li>a) It should be in writing.</li> <li>b) It should contain a direction or order by the drawer to the 'drawee' to pay money</li> <li>c) The order should be unconditional.</li> <li>d) The order should be signed by the person who gives the order.</li> </ul>	(2)
<b>26.</b>	<p>Name the parties to a promissory note. Explain any one.</p> <p>Parties to a Promissory Note:</p> <ul style="list-style-type: none"> <li>a) Maker: He is the person who promises to pay the amount stated in the note. He is the debtor.</li> <li>b) Payee: He is the person to whom the amount is payable i.e. the creditor.</li> <li>c) Holder: He is the payee or the person to whom the note might have been endorsed.</li> </ul>	(2)
<b>27.</b>	<p>Any four types of secured loans.</p> <p>Types of Secured Loan:</p> <ul style="list-style-type: none"> <li>⇒ Gold Loan</li> <li>⇒ Housing Loan</li> <li>⇒ Loan against Shares / Mutual Funds</li> <li>⇒ Vehicle loan</li> </ul>	(2)
<b>28.</b>	<p>What is meant by the term fixed rate interest?</p> <p>Fixed Rate Interest: When the rate of interest applied to a loan or a deposit remains constant and unchanged from the beginning to the end of the maturity of the loan/deposit, it is called Fixed Rate of Interest.</p>	(2)
<b>29.</b>	<p>Mention various types of general insurance.</p> <p>Various types of General Insurance are:</p> <ul style="list-style-type: none"> <li>⇒ Fire Insurance</li> <li>⇒ Marine Insurance</li> <li>⇒ Motor Vehicle Insurance</li> <li>⇒ Health Insurance</li> <li>⇒ Personal Accident Insurance</li> </ul>	(2)

**Answer any 4 questions out of the given 6 questions of 3 marks each:**

30	<p>Mention three features of Bank Loans.</p> <p>Features of Bank Loans: Bank loans have the following characteristics:</p> <ul style="list-style-type: none"> <li>⇒ A bank loan may be either secured or unsecured depending upon the circumstances.</li> <li>⇒ The interest charged by the bank on such a loan may be either at the fixed rate or at variable rate.</li> <li>⇒ If mortgage loan is to be obtained, the borrower has to pay a number of fees such as title searching fees, application fees, inspection fees, etc.</li> </ul>	(3)
31	<p>*As per RBI guidelines which category of loans could be priced without reference to base rate?</p> <p>As per RBI guidelines (as in July 2012), the following categories of loans could be priced without reference to Base Rate: -</p> <ul style="list-style-type: none"> <li>⇒ Differential Interest Rate Advances;</li> <li>⇒ Loans to banks' own employees including retired employees;</li> <li>⇒ Loans to banks' depositors against their own deposits</li> </ul>	(3)
32	<p>Discuss the various risks involved in internet banking.</p> <p>Risks in Internet Banking:</p> <ul style="list-style-type: none"> <li>⇒ Increasing number of fraudulent websites</li> <li>⇒ Fake emails purporting to be sent from banks</li> <li>⇒ Attacks on online banking used today are based on deceiving the user to steal login data and valid TANs. viz. phishing</li> <li>⇒ Cross-site scripting and key logger / Trojan horses can also be used to steal login information.</li> </ul>	(3)
33	<p>Explain the term Skimming in brief.</p> <p>Fraudsters use skimmers to make fake ATM cards, a swipe-card device which reads consumer's ATM card's information. Scammers swipe information from credulous customers by inserting onto an ATM. They take a blank card and by inserting the card they are able to encode all the information when they swipe from an ATM and through a small camera which is mounted on the ATM the skimmer catches the PIN.</p>	(3)
34	<p>Discuss the rights of a Nominee.</p> <p>Under Nomination, the Nominee gets only the right to receive the policy money in the event of the death of the policyholder. Nomination does not pass on the property in the policy. If nominee dies when the policyholder is still surviving, then the nomination would be ineffective. Nomination has no effect if the policyholder is surviving. If Nominee dies after the death of the policyholder but before receiving policy money, then also Nomination becomes ineffective and money can be claimed only by the legal heirs of the policyholder.</p>	(3)

<b>35.</b>	<p>Mention three features of annuity policies.</p> <p>Features of Annuity Policy are as follows:</p> <p>a) It is a policy under which the insured amount is payable to the assured by monthly or annual installments after he attains a certain age.</p> <p>b) The assured may pay the premium regularly over a certain period or he may pay the premium regularly over a certain period or he may a lump sum of money at the beginning of the Policy.</p> <p>c) These policies are useful to persons who wish to provide a regular income for themselves and their dependents.</p>	(3)
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**Answer any 2 questions out of the given 4 questions of 5 marks each:**

<b>36.</b>	<p>State any five advantages of internet banking.</p> <p>Advantages of Internet Banking:</p> <ul style="list-style-type: none"> <li>⇒ It involves less cost,</li> <li>⇒ ensure transaction speed and efficiency.</li> <li>⇒ It ensures speed banking and vast coverage</li> <li>⇒ is available 24 X 7</li> <li>⇒ No need to stand in queues.</li> </ul>	(5)
<b>37.</b>	<p>Who all can avail bank locker facilities? Explain in brief.</p> <p>Persons who can avail Bank locker facilities: Locker facility is provided by the bank at its select branches. For obtaining a locker at the bank, you must be an account holder with the bank.</p> <ul style="list-style-type: none"> <li>a) Lockers can be allotted both individually (except minor) as well as jointly.</li> <li>b) The lockers are allotted on first come first served basis to the customers only.</li> <li>c) At the time of hiring the locker, bank will obtain a minimum-security deposit in the form of a Fixed Deposit Receipt (FDR) from the lessee for the amount which would be sufficient to cover 3 years rent and the charges for breaking open the locker in case of such eventualities.</li> <li>d) The Security Deposit will be kept under Bank's lien in respect of rentals and other dues on locker services.</li> <li>e) An acknowledgement will be issued by the bank for fixed deposit to be kept as security deposit.</li> </ul>	(5)

<p><b>38.</b></p>	<p>Explain the procedure for taking a Life Insurance Policy.</p> <p>The procedure for taking out a Life Insurance Policy is as under:</p> <ul style="list-style-type: none"> <li><b>i)</b> Fill a proposal form providing information such as his name, age, occupation, medical history, particulars regarding his health and that of his parents, the amount he wishes to be insured for, the type of policy, the rate and mode of premium and name of the nominee.</li> <li><b>ii)</b> Submit proof of age (Birth certificate, and baptism certificate for Christians, high school certificate, service book, passport, adhaarcard).</li> <li><b>iii)</b> Obtain an 'Age admission certificate' from the Insurance Company</li> <li><b>iv)</b> A medical examination by Insurer's-approved doctors. The doctor's report is sent directly to the Insurer. This step is often bypassed for someone very young or if the insured amount is very small.</li> <li><b>v)</b> After the medical report, the Insurer's agent's confidential report is submitted to obtain impartial information about the individual.</li> <li><b>vi)</b> An assessment of risk is made based on the information obtained. If the life proposed is found insurable, then the Insurer accepts it and sends an acceptance letter along with a premium notice stating the amount of the premium payable and the due date.</li> <li><b>vii)</b> On and from the date of payment of the first premium, the risk of the Insurer commences on the life proposed and he/she becomes life insured. However, in case of certain policies, the risk commences from a later date. Once the risk commences, Insurer becomes liable to pay the full amount of insurance in the event of happening of the insured event.</li> <li><b>viii)</b> The signed and stamped original policy documents are dispatched to the individual.</li> </ul>	<p>(5)</p>
<p><b>39.</b></p>	<p>Essential features of assignment:</p> <ul style="list-style-type: none"> <li>⇒ The person assigning the policy must have absolute right or interest vesting in him in respect of the policy.</li> <li>⇒ The assignor must be a major and competent to enter into a contract.</li> <li>⇒ The assignor must not be subject to any legal disqualification.</li> <li>⇒ A life insurance policy from LIC may be assigned only after a period of five years.</li> </ul>	<p>(5)</p>